

## **Press Release**

### **Syngene reports third quarter results: revenue from operations up 9% to Rs 854 crores, PAT<sup>1</sup> up 4% to Rs 115 crores**

Company reports resilient performance in the nine months to date: revenue from operations up 17% to Rs 2,572 crores, PAT up 16% to Rs 330 crores (before exceptional items)

**Bangalore, January 25, 2024:** Syngene International Limited today announced its third quarter financial results. Reported revenue from operations for the quarter was up 9% year-on-year to Rs. 854 crores. Profit after tax for the quarter increased 4% year-on-year to Rs 115 crores (before exceptional items).

Commenting on the quarter, **Jonathan Hunt, Managing Director and Chief Executive Officer, Syngene International Limited**, said, *“Overall, our 9% growth in the quarter was affected by reduced funding in the US biotech segment which impacted demand in our Discovery Services Division. Our Dedicated Centers and Development and Manufacturing Divisions performed well. We are starting to see early signs of funding levels stabilizing and industry fundamentals for pharma outsourcing remain positive for the medium-to-long term.*

*In terms of our business strategy, we concluded the acquisition of the multi-modal biologics manufacturing facility from Stelis Biopharma Ltd and we have embarked on repurposing the facility from vaccines to biologics manufacturing in preparation for revalidation. We expect the facility to be ready for operations in the second half of fiscal year 2025, subject to regulatory approvals.”*

**Sibaji Biswas, Chief Financial Officer, Syngene International Limited** added, *“Despite some external headwinds in the US biotech segment, general industry conditions are positive and our business model remains resilient.*

*We will continue to invest in scientific capabilities and important enterprise projects. With strong operating cash flows, we expect these investments to be funded by internal accruals.”*

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<sup>1</sup> Before exceptional items

### Q3 FY24 Financial Highlights (All numbers are in Indian rupees in Crores except margins)

	Q3 FY24	Q3 FY23	YoY Change (%)
Revenue	883	803	10%
Revenue from Operations	854	786	9%
Reported EBITDA	261	248	5%
EBITDA margin (%)	30%	31%	
PAT before exceptional item	115	110	4%
PAT Margin (%)	13%	14%	
PAT after exceptional item (Note 1)	112	110	2%

Note 1: Exceptional item (net of tax) in FY24 pertains to transaction costs relating to the acquisition of multi modal facility (Unit 3) of Stelis Biopharma Limited (SBL)

### 9M FY24 Financial Highlights (All numbers are in Indian rupees in Crores except margins)

	9M FY24	9M FY23	YoY Change (%)
Revenue	2,646	2,247	18%
Revenue from operations	2,572	2,199	17%
Reported EBITDA	772	668	16%
EBITDA Margin (%)	29%	30%	
PAT before exceptional item	330	286	16%
PAT Margin (%)	12%	13%	
PAT after exceptional item (Note2)	321	286	13%

Note 2: Exceptional item (net of tax) in FY24 pertains to transaction costs relating to the acquisition of multi modal facility (Unit 3) of Stelis Biopharma Limited (SBL)

### Business updates

The third quarter was underpinned by positive performance in Development and Manufacturing Services as well as in the Dedicated Centers. Performance in Discovery Services was impacted by the slowdown in biotech funding.

In Manufacturing Services, the Company continued to make good progress on the long-term biologics manufacturing partnership with Zoetis.

During the quarter, Syngene concluded the acquisition of the multi-modal biologics manufacturing facility from Stelis Biopharma Ltd as announced in July 2023. The acquisition of the facility was concluded at a revised gross value of Rs 617 crores, adjusted

from the earlier gross value of Rs 702 crores. The reduction in gross value reflects the retention of certain equipment not currently installed in the facility by Stelis Biopharma Ltd. Once operational, the acquisition will add 20,000 litres of biologics drug substance manufacturing capacity to Syngene's existing capabilities. It also includes a commercial scale, high speed, fill-finish unit, which is an essential capability for drug product manufacturing. The facility is expected to be operational in the second half of FY25, subject to regulatory approvals.

In Discovery Services, the Company added an assay biology capability at the Hyderabad campus to complement the existing Drug Metabolism and Pharmacokinetics (DMPK) and Compound Management facilities.

### **Guidance**

The temporary slow-down in biotech funding in the US is likely to result in sustained but slower growth in the near term. Taking this into account, we now anticipate full-year revenue growth at around double digits in constant currency compared with our earlier projection of mid-teens constant currency growth.

### **Earnings call**

Syngene will host an investor call at 5.00 pm IST on January 25, 2024, where the senior management will discuss the Company's performance and answer questions from participants. Please dial the numbers provided below ten minutes ahead of the scheduled start time to participate in this conference call. The dial-in number for this call is +91 22 6280 1279/ +91 22 7115 8180. Other toll numbers are listed in the conference call invitation which is posted on the Company website [www.syngeneintl.com](http://www.syngeneintl.com). The operator will provide instructions on asking questions before the start of the call. A replay of this call will also be available on the website and until 01 February 2024, on +91 22 71945757, Playback ID: 57536. We will aim to post the transcript of the conference call on the Company website within seven working days of the investor conference call.

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### **About Syngene**

Syngene International Ltd. (BSE: 539268, NSE: SYNGENE, ISIN: INE398R01022) is an integrated research, development, and manufacturing services company serving the global pharmaceutical, biotechnology, nutrition, animal health, consumer goods, and specialty chemical sectors. Syngene's more than 6000 scientists offer both skills and the capacity to deliver great science, robust data security, and quality manufacturing, at speed, to

improve time-to-market and lower the cost of innovation. With a combination of dedicated research facilities for Amgen, Baxter, and Bristol-Myers Squibb as well as 2 Mn sq. ft of specialist discovery, development and manufacturing facilities, Syngene works with biotech companies pursuing leading-edge science as well as multinationals, including GSK, Zoetis and Merck KGaA. For more details, visit [www.syngeneintl.com](http://www.syngeneintl.com). For the Company's latest Environmental, Social, and Governance (ESG) report, visit <https://esgreport.syngeneintl.com/>.

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